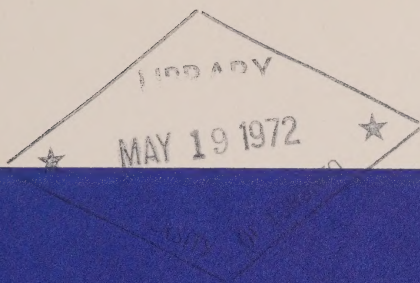
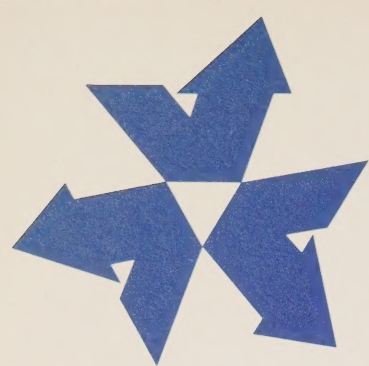




COMMITTEE
ON GOVERNMENT
PRODUCTIVITY

INTERIM REPORT
NUMBER SIX






INTERIM REPORT NUMBER SIX

*Report to the Executive Council
on the Utilization of Human Resources
in the Ontario Public Service*

April, 1972



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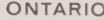
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THE LIEUTENANT-GOVERNOR OF THE PROVINCE OF ONTARIO

We, the members of the Committee on Government Productivity, appointed by Order-in-Council, dated the 23rd December, 1969, to inquire into all matters pertaining to the management of the Government of Ontario and to make such recommendations as in its opinion will improve the efficiency and effectiveness of the Government of Ontario, submit to Your Honour, herewith, a sixth interim report containing interim recommendations relating to the utilization of human resources.

Chairman

C. H. Brown
 J. H. Brown
 W. H. Brown
 H. H. Brown
 B. H. Brown

April, 1972



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INTRODUCTION

This report is the outcome of one of the most important studies undertaken by the Committee on Government Productivity (C.O.G.P.) because the people who make up the Public Service form the single most valuable resource available to the management of the Government. We believe that the people of Ontario are fortunate to have the services of this dedicated and competent body of men and women.

Our study has made a broad-based examination of the way in which the human resources of the Government are organized and managed. Its range and scope will be reflected in our recommendations. They aim at solving problems which we anticipate will be significant in the coming decade, rather than at remedying those of the past. Studies of this sort often catalogue instances of old-fashioned practice, inappropriate policy and inadequate organization. We shall not follow custom in this respect. We should not contend that the Ontario Public Service is less affected by such problems than any other major organization. Our concern has been to focus on the changes that will be needed to develop effective and relevant policies and practices for the future.

Some of the reasons why this has been a difficult study will be readily appreciated. Few actions can be taken to alter any aspect of government activity without affecting people. In common with our Report on the Structure of Government (Interim Report Number Three), which is necessarily pervasive in its scope, this study of human resources has legitimate interest in almost every aspect of government activity. We have had the benefit of advice and assistance from large numbers of public servants at all levels. We have drawn upon the valuable perspectives of many line managers and personnel specialists. Inevitably, it will appear that we have failed to take note of some unique contributions. We, obviously, must take responsibility for the judgments involved in the integration of all parts of this study and for the degree to which we found consensus with the views of others.

In some instances, we have made recommendations which will seem to vary little from current trends or which do not recognize innovations now taking place. Where one is dealing with a healthy organization which has the vitality to renew itself from within, such coincidences are to be expected. Moreover, it is clear that, in an organization as large as the Ontario Public Service, examples of personnel management at most stages of development will be found. If, therefore, some of our general recommendations appear to overlook the more perceptive innovators, we hope that their initiative will not be discouraged.

It may be helpful if we set out some of our assumptions regarding future trends and indicate how these may affect the Public Service. We expect that growth in the diversity and size of government programs will probably not level off immediately. This may mean some increase in the

number of public servants in the immediate future. However, the Government, mindful of public and fiscal pressures, may resort more often to the delivery systems in the private sector. Over time, this practice could moderate the rate of growth of the Public Service. Pressure upon sources of revenue needed for the funding of government programs, already obvious, may be expected to continue. The Service's management style will be affected. Planning and priority setting in the allocation of resources will be even more necessary.

Recognition of the influence of individual goals on personal behaviour will be an important factor in better utilization and management of the Government's human resources. Organizational goals and individual goals will probably never wholly coincide. Nevertheless, if the individual public servant can gain substantial satisfaction in his work, the effect should be to reinforce the attainments of his work group.

We anticipate that the current attitudes of young people to authority will have some significance for the Service. These future public servants seem to show more self-confidence and sophistication and hold more critical viewpoints than their predecessors. Through formal and informal opportunities, such as extension courses, television and travel, the general level of education has risen, and with it the level of expectation. If these expectations of young people are to find satisfaction in the Public Service, particular attention must be given to creating enough meaningful and relevant job opportunities at all levels. Therefore, many of the recommendations we make will assume that human needs will vary with individual competence at each level of experience. This view derives much from the ideas of several applied behavioural scientists, reinforced by subsequent findings in the management sciences. At the lowest levels, there is an overriding concern with job security and wages. As basic standards of physical well-being are met and people grow more confident, their goals change and they become increasingly interested in self-fulfilment. In the Public Service, we see this process having consequences for management: for example, that individuals should be given training which will enable them to develop the competence to achieve particular job goals; that their competence, once acquired, should earn them a voice in the setting of these job goals and the defining of the measurement criteria; and that, as their competence increases, it should be left largely to them to achieve the job goals alone, within guidelines.

We expect that organizational structures in the Ontario Public Service of the future may be less formal than at present. Reference has already been made to changing attitudes to authority which may reduce formality. Work groups, we further expect, will change more often than in the past. Problems which cross ministerial boundaries will require multi-group task forces drawn from various organizations to cooperate in solving them. Our expectation that change itself will be continual calls for a

more flexible and more responsive Public Service.

In the Order-in-Council establishing the C.O.G.P., efficiency and effectiveness were stated to be the tests by which improvements should be judged. With that yardstick and with our expectations for the future, we have tried to develop somewhat more specific objectives that are, at the same time, more closely related to the requirements of personnel management.

One of these objectives is to improve the decision-making process. In most environments, but particularly in the political milieu, there are many components to a decision. The intuitive elements are difficult to guarantee or enhance, but the factual components can more easily be strengthened. To this end, we have proposed an information resource base in the form of integrated payroll and personnel records. This improved information, applied to reduce the possibility of a mismatch between job needs and individual skills, will aid manpower planning. In our opinion, the program manager is the person best qualified to make the personnel management decisions which flow from the manpower plan. Accordingly, we expect that decentralization of some functions will improve decision-making. However, this decentralization should be based on consistent policies and guidelines developed at the top.

Another objective is accountability, without which no responsible management can exist. It is axiomatic that people must know clearly what is expected of them before they can be accountable for their performance. The necessity for a clear definition of goals is underlined in our emphasis on the importance of job goal setting. In conjunction with job goal setting, we have recommended a performance appraisal process which is fundamental to management decisions, for example, those concerned with employee training, the award of merit pay, or the initiation of early retirement. To assist the program manager in such decisions, a more highly developed system of cost allocation will be needed.

A third objective basic to good management is flexibility. The Government must be able to respond easily and effectively to changes in priority and program. Some simplification of the personnel management systems, such as our proposal for the broadbanding of classifications, will allow more rapid deployment in changing conditions. Another important aspect of flexibility is mobility of personnel. Effective mobility requires not only that the individual civil servant be competent to assume broader responsibilities, but that the treatment of aspects of his physical transfer, such as moving expenses, be consistent. To increase mobility and flexibility, we propose to enhance training and development opportunities at all levels, with emphasis on the broadening of perspectives and experience in senior positions.

A fourth objective is to ensure that the Government's programs are staffed by the right people at the right time. Since we expect this to be

no less difficult to achieve in the future than in the past, a more deliberate approach must be used. The increasing complexity of governmental administration will encourage the trend towards hiring better-trained people and promoting those of proven competence. Through manpower planning, a greater effort will be made to minimize any mismatch of skills to jobs or waste of human resources. More frequent retraining and development will enable public servants to renew their powers and remain equal to their responsibilities. In an organizational sense, the evolution and use of temporary task forces blending appropriate skills will make available a larger reservoir of well qualified people for assignment on loan.

The Public Service and the Public Interest

In preparing this report, we have kept in mind that it is inherent in the role of the Government as a large employer to set an example to the community as a whole. The Government's power to influence good personnel and labour relations practices is not limited to the enactment of legislation. In its management of the Public Service, the Government can provide models for the private sector to follow.

Less frequently emphasized, perhaps, is the fact that public servants have unique obligations as well. Among these is not only the obligation to the Government to carry out its policies and administration, but also an obligation to the public at large. Throughout this report, we have sought to ensure that the public service does not suffer as a result of inappropriate management methods. We are equally concerned that the public should not suffer through indifferent treatment by the Public Service. A sense of responsibility to the public can be shown by such means as prompt and correct replies to public enquiries or by guarding the integrity of government programs. Our report will offer a process for job goal setting and performance review. This should establish responsiveness to the public interest as a specific goal in each job. In our view, such responsiveness is one of the goals against which public servants should be evaluated.

Implementation

Public servants have shown a high degree of interest in the details of the implementation of our recommendations. We are therefore convinced that they will give their support not only to the principles of this study but also to the effort that will be demanded by the implementation phase. We do not underestimate the time or resources which will have to be expended, over the next few years in particular, if productive changes are to take place. Therefore, full cooperation by the Public Service, based upon an understanding of how our recommendations would be put into practice, is vital.

Some recommendations will be recognized as subjects on which agreement must be sought with the bargaining agents before implementation

can begin. This will be true also for some matters excluded from the collective bargaining agreements which require broad support from all employees. By making recommendations of this nature, our committee was not acting in the mistaken belief that the Government could implement these changes unilaterally. It is our hope that, by making a comprehensive group of recommendations, we shall encourage not only discussion of all aspects of implementation but also an appreciation of the fact that change is a very complex process. To have studied only those areas which were clearly within the prerogatives of management, or to have remained silent on controversial matters, would have been short-sighted and imprudent. We feel confident that, if our motives are clearly understood among employees in the bargaining units and at other levels, their support for change will be assured.

As a rule of thumb, we hope that, where possible, implementation will begin at the top levels and spread downward. There are several reasons for this approach. First, understanding and support by the senior public servants will be essential to changes at other levels; the most direct way to secure this will be through first-hand experience. Second, since the senior group is smaller than most others and the degree of skill is high, it provides an appropriate setting for some effective innovation, with the ensuing feedback and adjustment. Third, we believe that the power of example works best when nothing more is asked of subordinates than their superiors can demonstrate. However, where changes could be implemented at other levels simultaneously with those at the top level or even earlier, there would be no justification for delay.

Previous Recommendations

In previous Interim Reports, we have made several recommendations relating to the management of personnel. We repeat them here for reference.

DEVELOPMENT OF TOP ADMINISTRATORS

We recommended that:

- 2.1 The Government formulate a policy and implement a planned program designed to give selected managers the opportunity to obtain 'corporate', interdepartmental experience. Since the example of style in management comes from the top, this program should initially be limited to a group of approximately 100 people: deputy ministers, assistant deputy ministers, heads of ministerial agencies and equivalent ranks.

INTEGRATION OF PAYROLL AND PERSONNEL INFORMATION

We recommended that:

- 7.1 A system of centrally collecting basic data on employees which is integrated with the central payroll system be

approved and that a program of integration be implemented.

MANAGEMENT OF PERSONNEL

We recommended that:

- 8.13 The Chairman of the Civil Service Commission report to the Chairman of the Management Board.
- 8.14 The Department of the Civil Service cease to exist and that its staff become the staff of the Civil Service Commission.
- 8.15 The Chairman of the Civil Service Commission cease to be known as the deputy minister of the Department of the Civil Service, but that he continue to have deputy minister status.
- 8.16 One or more Commissioners with personnel expertise be appointed to the Civil Service Commission from outside the Public Service.
- 8.17 The Civil Service Commission continue to provide advice on personnel policy to the Management Board and personnel services to ministries. Ministries be allowed to provide such personnel services as recruiting and staff training for themselves or be given the option of purchasing such services either from the Civil Service Commission or from outside government.
- 8.18 The decision to leave the central supply of personnel services within the Government with the Civil Service Commission be reviewed by the Management Board within 5 years, with the object of transferring some of those services to the Ministry of Revenue and Government Services.

In our Interim Report Number Three, we outlined the relationship that would exist between the Management Board and the Civil Service Commission. The Commission would continue to be responsible for protecting the merit principle, and would support the Management Board for such centralized personnel functions as collective bargaining, pay and classification, and manpower planning. In addition, it would continue to provide some personnel services to ministries, such as staffing and recruiting.

In dealing with the support staff of the Management Board, we have separated those who will assist the Board in the management of personnel from those concerned with other resources. The distinction has been made at this time to emphasize our view that people are a very special asset, and in order to create a strong support group for the critical period during which the recommendations of this report will be implemented. The Management Board, of course, will have the responsibility to balance and coordinate the management of all resources.

Careful consideration has not convinced us that the division in the support staff to the Management Board is artificial and that it should be removed in the interests of better coordination in the management of all resources. However, we feel that the separation should be reviewed by the Management Board at a time when the long-run advantages to one arrangement or another are more apparent.

For convenience from now on, our references to the Management Board will imply that it is supported and advised by the Civil Service Commission in the management of personnel.

JOB GOAL SETTING AND PERFORMANCE REVIEW

In the last few years, important changes in the philosophy of management have been taking place in most of the advanced governments of North America and Europe. These changes mark, in the public sector, a new phase of attainment in priority setting and in the organization and evaluation of work. The process is variously called output budgeting, program analysis and review, or, as it has become known in Ontario, Planning-Programming-Budgeting System (P.P.B.S.). Whatever the name used and whatever the local emphasis, the effect has been to make managers of public programs define their aims more clearly and then relate those aims to the available resources and to the results.

We endorse the goals to which P.P.B.S. is directed, but we recognize that finding the most suitable ways to put its principles into practice will be a long and, at times, frustrating experience. For that reason, we were encouraged to note the request of the Treasury Board (now known as the Management Board of Cabinet) that the departments develop program objectives and evaluation criteria for the 1972-1973 provincial estimates. This confirms that P.P.B.S. is moving forward from the initial stage.

It is a keystone recommendation of this report that the Government adopt a similar approach to the management of its employees in the Public Service. For specific jobs, work goals should be developed which are consistent with the goals of the organization or of work groups. Similarly, a performance review system should be established which judges the output of each job in the light of its goals. We do not in any way underestimate how long and difficult a process this will be. For one thing, program goals of the future are likely to change constantly, reflecting modifications in government goals as these respond to altered priorities. By creating the Policy and Priorities Board of Cabinet, the Government has acquired a vehicle for its fundamental task of developing overall goals; the definition of program goals will be greatly facilitated by this innovation. While the difficulties in devising output criteria for job evaluation will be great, an assessment of results is basic to the process of judging whether the jobs and their goals are consistent and whether work is being done well. Thus, we are convinced that, if work is to be meaningful for the employee and useful to the organization, application of the P.P.B. philosophy to the Government's personnel management practices is essential.

We therefore recommend that:

7.2 A goal setting and performance review system based on output be developed for individual jobs.

The program manager, who will be responsible for setting his program objectives, should take the lead in the development of job goals and output measurements for the positions involved. Job descriptions,

classification, training and development should be related to these goals. Merit pay, to be given for superior performance by particular individuals as rated by performance review, is recommended later in this report.

Performance review of the output of a job against the specification ought to be carried out on a regular basis. There is no reason to insist on fixed intervals, such as every six months or the hiring anniversary, rather than a more appropriate time like the end of a phase of work or project. Guidelines for performance review should set a period (say, 12 months from the previous review) within which the next review should take place. Alternatively, the manager and the employee should arrange a date convenient to both.

Similarly, a basic evaluation form or checklist should indicate the points to be covered for proper evaluation. Our aim is not to prevent the inclusion of sections appropriate to particular activities, but simply to make sure that in all cases the information necessary for objective evaluation and for manpower and career planning is collected. Appraisal forms already in use in the Public Service and elsewhere should be examined for productive ideas. However, it would be desirable to develop a new form with an emphasis on output. This should then be regularly revised to reflect the results of the performance review of the entire Service that can reasonably be expected from time to time.

The review should take place between the employee and a manager familiar with the job and with the employee's work. While the manager in question would generally be the employee's immediate superior, this could vary, as in situations involving dual reporting relationships or members of task forces. The review might proceed from an examination of performance on the job to consideration of the employee's potential for further training and promotion. Here it might be appropriate to co-opt a more senior person. In all reviews, the managers should expect assistance from personnel specialists in the ministry. However, the review should be conducted between the manager and the person who shares the responsibility for seeing that the job is well done, not between the employee and a personnel officer. It would be appropriate to begin the implementation of a goal-setting and review system at the senior levels. This would enable senior administrators to experience the process of establishing their own goals and of having their achievements measured against these before they introduce similar processes for their subordinates.

Preparations for this first cycle of goal-setting and review have already begun. It is expected that by the end of 1972 many other levels will have been included. Reviews of performance, measured against goal achievement, will progressively replace all other forms of appraisal. Suitable guidelines for the goal-setting and review process will be developed by the Civil Service Commission for the Management Board and will be refined in the course of the appraisal of senior administrators.

The goal-setting process and performance review based on output, as they develop, would differ from the present general practice in both the public and private sectors, which tends towards informal goal setting and subjective appraisal. As the emphasis in the manager's job shifts towards more effective utilization and development of the men and women under his direction, his need for training in such broader responsibilities and in the appropriate techniques of personnel management will increase.

If the environment for the manager of the future differs greatly from that of his forerunners, the Management Board will be in large part responsible. The change from Treasury Board to Management Board is more than one of name alone. In conjunction with the other changes at the Cabinet level, it will give the Management Board a more definite leadership role in resource management. In the past, the Treasury Board may occasionally have made policy in particular matters because necessary policy was not being developed elsewhere. This function will now be performed by the Policy Field Committees and Policy and Priorities Board of Cabinet. As a result, the Management Board will be free to give undivided attention to its managerial responsibilities.

In our view, the future responsibilities of Public Service managers, including job goal setting and performance review, will require special attention and training.

Accordingly, we recommend that:

- 7.3 Managers receive training to upgrade their general skills and to familiarize them with personnel management practices.**

MANPOWER PLANNING

A primary goal of personnel management is to ensure that the Government's programs are staffed with the right numbers and kinds of people in the right places at the right time. To achieve this goal, there must be a manpower plan. Such a plan is developed and updated, broadly speaking, in two steps: first, by forecasting the organizational needs and the manpower supply that will be available at various times; second, by determining the way in which these needs can be met through programs of recruitment, training and development, redesigning of jobs, and career planning. By these means, the Government can achieve two crucial objectives: the most productive allocation of manpower and increased organizational effectiveness.

It would be wrong to suggest that no manpower planning takes place in the Public Service today. There are many examples relating to specific positions and organizations. Nevertheless, it has not been carried out with consistency across the Service, it has been rather informal and lacking for the most part in enough inventory material.

Successful government manpower planning, looked at in broad terms, requires action by three distinct entities: the Premier; the Ministers and/or public servants designated by them in the ministries; and the Management Board.

Action by the Premier will be considered later. Like him, the Ministers, their ministry designees and the Management Board also have appointment prerogatives. These, too, will be discussed separately.

The Management Board should be responsible for providing guidelines for the development and operation of the manpower planning function at the ministerial level. It should relate overall ministerial manpower needs for both the short and the long terms to manpower and financial resources, available and forecast. This process would enable realistic adjustments to be made to plans and programs, and thus ensure the best use of manpower.

Direct roles would also fall to the Premier and the Management Board where the interests of the Service as a whole have to be elevated above those of any particular program, as in the case of manpower planning and development in relation to senior public servants.

It would be the task of the ministries to do for their own purposes what the Management Board does for the Government as a whole in respect of manpower forecasts, training, and career planning.

In passing, it may be noted here that manpower planning is different from, but complemented by, career planning, which is

individual-centred and in which the Management Board is also involved. From an assessment of the path a person follows through several jobs and training experiences, coupled with his individual ambitions and appraised competence, a career plan can be developed.

On the broader basis, manpower planning for a series of jobs or an organization might include an analysis of aging patterns, the mix of skills required, and probable length of service. In turn, the information so gathered could form the basis for expanded recruitment, an increase in training budgets, or revisions in benefit plans.

Hence, we recommend that:

7.4 An effective and comprehensive system of manpower planning be devised which coordinates the actions of the Premier, the Ministers and/or their ministry designees and the Management Board.

Manpower planning requires information from employee records, organization charts and forecasts of future activity. We recommended in our Interim Report Number Two the integration of payroll and personnel records to form a data base for manpower planning. However, this did not imply that these central and computerized records would be the only ones in existence. Each program area should have some smaller and more accessible systems to serve local needs.

The program manager, assisted by a specialist staff, would have, among other functions, responsibility for manpower planning at the program level. It would be a matter for the Management Board to coordinate Service-wide manpower plans. For instance, in the future a ministry in need of a particular skill might be contemplating a recruitment or training program; the Management Board, aware of an anticipated oversupply of that skill in another ministry, could link the need and the surplus. Through post-audit, the Management Board would ensure that manpower planning by program managers does take place.

Comprehensive manpower planning will be fairly rudimentary until the information derived from objective performance appraisal is available to guide training and development. Similarly, the evaluation of manpower planning itself is at an early stage. Those charged to supervise the implementation phase flowing from our recommendations would have to find satisfactory tests to show how well the manpower planning objectives had been met. We would favour some simple and easy test: for example, the average time it takes to fill a vacancy in complement with a person of obvious competence, provided that the appointment does not lead to significant overstaffing.

Selection Standards

Once the manager identified through manpower planning his need to staff a position, the post could be filled by recruitment from within or from outside the service. Before the job can be advertised, it must be described. In an output-oriented system, where employees would be measured primarily by their ability to achieve job goals, selection standards should also be described in output terms. Emphasis on job goals, though not to the exclusion of formal qualifications, should improve both recruitment and selection practices. The explicit statement of goals in job descriptions should enable a potential applicant to compare his career goals with the goals of the job and to form a better idea of what would be expected of him.

Selectors should therefore carefully balance job goals, formal education and years of experience, focussing on a candidate's ability to do the job.

We recommend that:

- 7.5 Selection standards emphasize the output aspect of a particular job rather than formal qualifications, while not under-rating their basic importance.**

Formal qualifications will continue to be important indicators of potential performance. However, the lack of such qualifications should not automatically disqualify a person who may have given other demonstrations of the calibre to achieve the goals of the job. His output in previous comparable jobs should rank high as a selection factor. Where achievement in comparable tasks is not available, a candidate's proven initiative, flexibility in adjusting to new situations and challenges, and recorded capacity for growth in assignments of equivalent difficulty should be useful pointers.

Recruitment and Selection

One of the most important considerations in staffing in the Public Service is to ensure that proper protection is given to the merit principle. This principle has two facets: not only is it desirable to exclude patronage and favoritism from the selection process, but from the more positive standpoint it is essential to appoint the most suitable or competent person available for the job. In Ontario, the responsibility for protecting the merit principle lies with the Civil Service Commission, which now also has the statutory responsibility for the recruitment and appointment of most public servants. At present, it has delegated recruitment for most positions to the departments, with the exception of positions located in Metropolitan Toronto, where centralized and coordinated recruitment prevails. Staffing of senior positions is also centralized. The question of responsibility for recruitment is treated more fully later.

An effective recruitment and selection process must honour the merit principle while serving the manager's interest in smooth staffing with competent people. The process must enable a person wishing to enter the Public Service to learn quickly and easily about open positions fitting his qualifications. If recruitment outside the Public Service is decided upon, the vacancy must be advertised widely enough to reach a reasonable number of potential candidates.

We believe that recruitment of all but senior public servants should continue to be delegated, where practical, to ministries, so that the process is kept closer to the manager whom it must serve. However, delegation must take place within guidelines which safeguard the merit principle without being cumbersome.

Therefore, we recommend that:

- 7.6 Where possible, at least three eligible candidates be identified for each vacant position through appropriate publicity and a progressive search of related manpower inventories in the Public Service; and that the search be extended outside the Public Service, if this is desirable.**

The process whereby potential candidates are informed of existing vacancies should be a progressive one. First, a notice might be circulated among appropriate groups within the Public Service, allowing adequate time for response. Meanwhile, the pertinent manpower inventories should be searched. Typically, this might mean a search within the ministry for persons performing similar functions, then a search of related groupings in the Public Service in the community where the vacancy exists. If this should fail to yield a satisfactory number of candidates, local public advertising, then a Service-wide search, and finally a province-wide advertising campaign might be employed.

Within the guidelines established by the Civil Service Commission, the manager should decide whether the competition would be ministry-wide in scope, limited to the Service, or open to the public. The Civil Service Commission would continue, through a careful post-audit of the rule-of-three, to guard the merit principle and, on behalf of the Management Board, to ensure performance within the recruitment guidelines. In exceptional areas, such as management training and development, the Commission would also have the power to modify the requirement that at least three qualified candidates be found, provided that the merit principle was not thereby compromised.

Sometimes it may be desirable for ministries to undertake joint advertising and recruitment in order to keep down the costs of staffing jobs

common to several. The convenience of the public may also argue for some common point of recruitment in a community. These situations would be covered in the guidelines for which the Management Board would be responsible.

The identification of eligible candidates should be left to managers, assisted by personnel specialists. According to the nature of the vacancy, methods of assessment would differ but they should all look for output potential. As soon as at least three eligible candidates were available, the manager could make a selection from among these. If he were not satisfied with any of the candidates, he could request a broader search.

In our view, the rule-of-three would not discourage program managers from undertaking any manpower planning or development of back-up staff for positions. Such a rule would enable them to compare candidates, whether these had been groomed for the vacancy or not. Indeed, since the comparison would be obligatory and subject to a post-audit by the Civil Service Commission to prevent sham comparisons, this fact might well encourage program managers to give more training to back-up staff.

To help bring the subject of recruitment and selection into perspective, it may be useful to recall here some remarks in our Interim Report Number Two. We pointed out (pp. 7-9) that the principle change in the responsibilities of the Management Board from those of its predecessor, the Treasury Board, would be the absorption of the functions of the Department of Civil Service. This, it was added, would consolidate in the hands of one agency the personnel policy matters being handled in these two units. We argued that the most pressing reason for combining these functions within the Management Board was the need for a unified approach to personnel matters. Another equally important reason advanced was that departments were being given greater autonomy in the personnel area and that the function of the Management Board would then be one of establishing broad policy and monitoring performance, an activity in keeping with its overall management function. The Chairman of the Civil Service Commission, it was stated, would also report to the Chairman of the Management Board.

These points were further developed in passages relating to the management of personnel in Interim Report Number Three (pp. 36-38). In the course of that discussion, it was held to be desirable that the Civil Service Commission continue to be the main supplier of personnel services, at least for one or two years, while the recommendations of our present report on the Utilization of Human Resources were in process of implementation. Proceeding from this premise, the Committee proposed that the decision to leave the central supply of personnel services within the government with the Civil Service Commission be reviewed by the Management Board within five years.

Recruitment and Selection of Senior Public Servants

It remains for us to deal with the selection of a relatively small group of senior public servants.

The process of actual appointment for this group is complicated because it raises a number of important questions. Who should make the appointments? What are the prerogatives of the Premier? Which appointments should be made by Ministers? These are just some of the vital factors involved in selection at the senior level. Another aspect that must be kept in view is the fact that the higher the position stands in the Public Service, the greater will be the part played in the selection process by the Ministers and, in the case of deputy ministers, by the Premier.

As regards prerogatives, three major categories exist:

- ♦ the Premier's; he has the prerogative of all appointments made by the Lieutenant-Governor in Council (except those specifically excluded by legislation), which include those of deputy ministers, as well as nominees for key posts as heads of boards, agencies and commissions;
- ♦ those of Ministers, as specifically identified by legislation or as delegated by the Premier; the Ministers, in turn, may delegate their prerogatives to public servants;
- ♦ those of the Management Board, supported by the Civil Service Commission.

The Premier, in making appointments reserved to him, would have the aid of recommendations from the Premier's Appointments Advisory Committee.

For most other senior Civil Service appointments, policy is in the hands of the Management Board. Actual appointment would be made on the decision of the Chairman of the Management Board, in consultation with the Minister(s) concerned. They would be served in this respect by the Senior Appointments Advisory Committee, whose recommendations in turn would be based on personnel information contained in a senior manpower inventory at the disposal of the Civil Service Commission.

Since the policy governing the development of most senior personnel is the responsibility of the Management Board, the system under which it is operated should be approved by the Board. Such matters are now under study.

Ministers would have the prerogative of appointment by legislation for certain designated positions in agencies, boards and commissions.

Purchase of Pension Credits

There is a long tradition in the Public Service whereby most vacancies are filled from within the organization. This is generally justified

from the standpoint of career and manpower planning, employee morale and continuity. However, it should not prevent able people from entering the Public Service on a term or career basis at levels other than the common entry points. Often they can enrich the Service with valuable experience, knowledge and perspective.

Nowadays there is some portability of pensions between governments, but very little between the private and public sectors. Arrangements are needed that would allow experienced people joining the Service on a permanent career basis to purchase past service credits. Changes in the pension plan to this end would undoubtedly encourage more movement from the private sector.

In other jurisdictions, particularly the United States, the practice of bringing in people from the private sector is more common. Experience in such cases shows that pension plan protection is an important consideration for a prospective employee. While a number of senior posts in the Ontario Public Service have been filled from outside, desirable candidates for many others have been unwilling, with reason, to make the considerable personal sacrifice involved in a loss of pension rights. To remedy this situation, we recommend that:

7.7 New entrants into the Public Service be permitted to purchase pension credits.

The implementation of this proposal will be greatly assisted when pension plans for the Public Service are adjusted to those in other sectors, to bring about true portability in both directions. This will be a gradual process which, in the absence of legislation creating universal portability, would be effected through informal cooperation.

Training and Development

Given the tradition of internal promotion and the commonly lower rate of separation in the Public Service compared with the private sector, there is a substantial need for adequate training and development. Obsolescence must be avoided and employee skills continually renewed if the Public Service is to adapt to change and maintain its record of responsiveness. The expenses of training and development should be looked upon as an investment, not as an operating cost.

Training and development, though closely related, are not in our view synonymous. Training is the instruction and practice which will bring an employee to the level or standard of skill required for the efficient performance of his duties. Development is broader than training, in that it seeks to enhance a person's capacity to assume greater responsibilities. Through study and practice, the development process heightens the powers of understanding, decision-making and evaluation.

Training and development for individual employees must be related primarily to the needs of the program. The manager, who has responsibility for using resources under his control to achieve program goals, will be well equipped to interpret program needs. He should be responsible for deciding whether to hire a skill on the market or retrain an employee with a related skill and the potential to learn. The former course is attractive because it may save time and cost less than retraining. However, to ignore the training route to any significant extent would cause a buildup of people in the Service who, without training to refresh their skills, would lower overall productivity. The program manager, operating within guidelines, must balance these alternatives in the interests of the program.

Our recommendation is that:

7.8 Decisions on training and development be made the responsibility of program managers, the costs of training being allocated to the program.

We believe that charging the cost of training to the program would ensure that the relevance of the training to the program is given proper consideration. If the training were done outside the Service, then fees, travel, materials, replacement personnel, and the salary of the absent employee would be charged to the program. If training is conducted on the job, then details of the supervisor's time, the employee's lower efficiency, wasted materials, and other expenses should be clearly brought out.

The Management Board would develop guidelines on training and development which would help program managers in sorting out the various alternatives inside and outside the Government for training and developing employees.

On-the-job Training

Training for most employees is now conducted through the medium of formal courses away from work. There appears to be little training for groups with common work goals; more is available for groups with a common function or skill. For example, persons working in the same section of a ministry would have similar work goals, whereas computer programmers or engineers drawn from different ministries would have a common skill or function.

In a changing society, skills and qualifications, unless continually renewed, can quickly become outdated. Such training can often be acquired in the job setting. Through on-the-job training, new skills can be reinforced by practice in the work situation. This approach would be suitable for the training of groups with common work goals as well as for individuals.

We recommend that:

7.9 More opportunities for on-the-job training be provided.

This does not imply that formal training for functional groups, such as engineers or accountants, will not continue to be necessary and valuable. Rather, it recognizes the need to stress the relevance of training to the work situation and to the work goals of groups.

Career Planning Involving the Individual

The last element in the process of finding the right person for the right job is the need to involve people in decisions related to their careers. The success of any organization depends on the degree to which individual employees are committed to achieving their work goals and, beyond these, the broader targets of the organization. Public servants have personal career goals which bear directly at some points on those of their ministries. One point of overlap might be the career path the individual hopes to take. A coordinated effort should be made to assist him by providing opportunities through which he can participate in planning that path.

We recommend that:

7.10 Ways be provided in which an employee can assist in planning his own career.

One opportunity for a member of the Service to assist in planning his career would be during a performance review. He might express interest in receiving further training and taking on other responsibilities; or he could show interest in working in another ministry or region of the province. In these cases he should be considered for appropriate opportunities for training or openings in the location of his choice.

CLASSIFYING AND COMPENSATING PUBLIC SERVANTS

In interviews and surveys conducted in the Public Service, the classification system showed up as a focal point for much dissatisfaction and misunderstanding. The dissatisfaction stemmed from the considerable time required for the classification process; misunderstandings were due to the excessively complex nature of the system.

At present, there are about 1,600 classes for over 60,000 Ontario Government employees. These classes group jobs in specific terms in order that these occupations can be related to other positions in a work group or organization, and distinguished from similar, but different, jobs.

In keeping with the recommendations of our Interim Report Number Three, the ministries have been given some responsibility for designing new, or altering existing, classes. Much of this work has been done up to now by the Department of Civil Service, which has also checked and confirmed in a routine way that portion of classification which was handled by the departments.

Under such a system, the process of reclassification can be costly in terms of time and morale. After minor changes to a program, its existing classes are often no longer quite appropriate because they are so specific.

Reclassification of a job normally takes several weeks and authorization of a change may take some time, occasionally a period ranging from six months to two years. In the interim, the employee affected may be doing more responsible work, yet receiving the same pay. However, the principle of retroactivity has been applied back to the date on which the department concerned raised the matter.

We propose that the major responsibility for applying classification standards to positions be transferred to the ministries under general guidelines from the Management Board. This would ensure greater responsiveness, both to the needs of the individual employee and to those of program managers, who must have more freedom to direct their employees in accordance with program goals.

Flexibility in the use and management of employees is also a prerequisite for a more innovative style of government. It is anticipated that in the next decade people will more frequently leave their formal organizations to work on task forces dealing with special programs or problems. The development of employees, which up to now has been achieved mainly through formal courses away from work, will increasingly take place on the job through experience of a range of different responsibilities.

A classification system should support rather than inhibit these activities.

Thus we recommend that:

- 7.11 The present system of centralized control of classification be converted to one under which standards would be approved by the Management Board to assure Service-wide uniformity, and by which the responsibility for applying classification standards would be delegated to each ministry.**

Many ministries do not now have the specialized personnel needed to handle classification. In accordance with our proposal that this function be a ministerial responsibility, we further recommend that:

- 7.12 Classification specialists available in the Public Service be reassigned as needed in the ministries to apply classification standards.**

The length of time needed for implementation would depend upon how quickly the necessary expertise can be built up in ministries. A reasonable target would be two years, since at present there are probably enough persons with classification skills in the Public Service, but they would have to be transferred to ministries where their services were required.

Technical guidance could be obtained from the Management Board staff without its assuming direction or control. The ministries would handle most of their own classification, in accordance with clear guidelines and standards. Classification decisions made by the ministries would be subject only to a post-audit.

The act of bringing the classification function closer to the program manager and the ministerial recruitment officer would make it more responsive to the program manager's needs and improve cooperation. In addition, employees whose positions were in the process of reclassification would have their compensation and job status clarified more quickly, which should improve morale.

Broadbanding

In order that classification may be delegated to the ministries, the system must be substantially altered and simplified. Present practice is overly complicated and difficult to administer. Moreover, the rationale for the system is not readily apparent, since some classes do not appear to be based on perceptible differences in job functions and responsibilities.

For example, in the Public Service, there are four classes of typist, four classes of clerk-typist and five classes of clerk-stenographer, a total of 13 categories in all. Each has five pay ranges which overlap, with the implication that the differences in responsibilities are so slight as to be negligible.

We propose to simplify the existing classification system by a process of broadbanding. This would group related jobs at comparable levels across the Public Service into fewer classes and pay grades. The principle recognizes the futility of trying to make accurate measurements of small differences among similar jobs. In the example just outlined, the thirteen classes might be consolidated into six, which would achieve a considerable saving of time while clarifying the distinctions and making them understandable to the manager and to the employee.

Within existing class series and among related series, the objective would be to clarify and separate where necessary, but to combine where, in fact, very little difference between jobs exists or where one class is really the training phase for another, and promotion is automatic when the training is completed.

Accordingly, we recommend that:

7.13 A simplified classification system be developed, based on broadbanding.

Broadbanding could be applied immediately at the top administrative level, taking in the personnel specialist classes and middle management levels shortly afterwards. By this means, managers and those who will be responsible for much of the staff work on broadbanding would acquire early first-hand experience. A start would be made on positions within the bargaining units after some experience is gained in broadbanding management classes. The rate at which the process could advance would depend on several factors, such as consultations with the bargaining agents and the resources available. Five years would be a realistic time-span in which to complete broadbanding for all classes.

Broadbanding would have some effect on salary levels. Most salaries would be rounded upward slightly on a once-only basis to secure support for the change. However, under a simplified classification system, managers would be able to use employees for a wider variety of duties, and benefits from this greater flexibility would more than offset the preliminary costs of the plan. Less rigid classes would allow for more training on the job. In addition, broadbanding would save time and money, as classification could be dealt with more quickly and fewer classification specialists would be required.

Broadbanding could be done by specialists already in the Service, and their time would represent the principal cost. Broadbanding would be the responsibility of the Management Board, supported by the Civil Service Commission which would work in conjunction with personnel branch staffs in the ministries.

Pay Research

Thus, while broadbanding would simplify classification, it would not in itself create a more integrated system. If the system is to be equitable, some way of relating one job to another must be found. Pay is a convenient index and is evidence of a difference in jobs, although differing pay scales may be due to additional reasons, such as the level of education or the market availability of the skill in question. However, pay does not determine differences between jobs; the roots of the distinction lie in the differing output expected from one job compared with another, measured against the organization's own targets.

The present classification system exists in so many parts that it is impossible to say whether one job contributes more than another to the Government's goals. The range of pay grades implies that differences do exist and can be rather precisely defined. In the absence of any satisfactory measurements of output, we do not believe that such definition is a realizable possibility. However, means to measure jobs on the basis of output can be developed just as programs can be measured. Pay research conducted to ascertain the level of remuneration paid in the private and public sectors should focus on the outputs of jobs common to both sectors and to a number of ministries. These benchmark jobs and salaries would provide some standard of measurement, to which jobs unique to the public sector could be related through a comparison of outputs. Our recommendation is that:

- 7.14 Pay research be undertaken for key benchmark jobs which is directed to a comparison of outputs, rather than a comparison of common elements, such as duties, qualifications or experience.**

Pay research should be done by people with recent or current experience in classification or recruitment. This may mean involvement of more people in pay research, but the additional work could be carried out as time permitted.

Master Reference Classification Structure

Broadbanding should help clarify jobs which are closely related, and, with the help of pay research, would permit some simplification into distinct bands running through a ministerial hierarchy. However, as the task progressed, it would be advanced by an effort to relate jobs across the entire Service at different levels of responsibility. For instance, broadbanding would reduce the number of separate levels of responsibility recognized for compensation purposes, although a number of pay rates would exist within a band to mark different degrees of experience. Careful performance review would ensure that only those who deserve it would be paid at the higher rates for their band. Nevertheless, through a master classification structure, used initially only as a reference point to assist integration, some start can be made on relating bands in different ministries.

At present, no single classification system or salary structure covers the whole Public Service, except the senior list group, which includes only the two or three top levels in each ministry. However, reference jobs exist which are common to most ministries, such as those in the clerical series, and some common to several ministries, such as those in the economist and engineering series. From these points of reference, it should be possible to begin relating jobs throughout all the organization hierarchies in the Service to one another. Thus a master reference classification system could gradually be constructed. Tying this into a salary structure with a limited number of pay grades would be more difficult, and might take much longer because of the need to negotiate with the bargaining agents on some aspects of this important improvement.

Therefore we recommend that:

- 7.15 An effective Service-wide master classification system be developed which relates all positions on a job comparison basis and employs a single salary structure.**

Merit Pay

In the Ontario Government, there is at present no effective pay system for rewarding superior performance, since annual pay increases are common for the majority of employees. In part, this situation has come about because managers, lacking effective performance criteria, have found it difficult to refuse an employee an annual pay increase. Another factor may be that the annual pay increase is viewed as a means of redressing the erosion of real purchasing power by inflation.

Whatever the reasons, the annual pay increase has lost any significance it may have had as an effective reward for superior performance. In the absence of any form of recognition other than promotion to another class, managers sometimes reward high-performance employees by reclassification of their jobs, thus producing the phenomenon of 'classification creep'. While this provides a salary increase for a deserving employee, it also results in unwarranted reclassifications and distortions to the overall classification system.

Only when the Public Service has developed better methods of rating levels of performance will it be able to reward superior performance. Promotion to positions of higher responsibility will still continue to be a means of rewarding highly productive employees. However, where promotion cannot occur immediately or where it is desirable to reward an employee for an exceptional piece of work as an incentive to further accomplishment, merit pay should be available.

We recommend that:

- 7.16 An effective merit pay system be introduced based on performance review.**

Merit pay could apply at most levels in the Service. It would first be introduced at senior levels after the goal-setting and performance review processes recommended earlier had been put into effect. Its implementation at other levels could follow; any changes for the bargaining units could be dealt with by collective bargaining.

Province-wide Pay Rates

The rates at which the Ontario Government pays its employees apply province-wide; unlike those in some other jurisdictions, pay practices in this province with very few exceptions make no adjustments for a higher or lower cost of living in different regions.

While a policy of province-wide pay rates may simplify administrative procedures, it can have several undesirable effects. In some cases, it may result in unnecessarily high pay for staff in regional areas where pay scales are lower. In high-cost areas, it can effectively restrict the ability of the Public Service to recruit and retain good employees.

We recommend that:

7.17 The impact of province-wide pay rates be assessed.

Pay research, in addition to determining whether pay rates should be related to the cost of living in different areas across the province, would also provide clearer definition and understanding of the influence exercised by the Public Service on pay practices in local communities. This, in turn, could clarify the Government's responsibilities as a major provincial employer.

EFFECTIVENESS AND EQUITY IN FRINGE BENEFITS

Traditionally, the package of fringe benefits and indirect compensation offered by the Public Service has been very progressive. Nevertheless, there are substantial pressures to continue the upgrading of benefits. We would support improvements provided that they contribute to greater effectiveness and equity, and can be shown to benefit employee and employer.

A number of benefits are examined in the following paragraphs. The order in which they are treated does not point to any special order of implementation, nor do we suggest, in studying the benefits one by one, that they may not be viewed as a package. Our aim is that the group of benefits offered to public servants shall compare favourably with such benefits available elsewhere, in the public or the private sector. We do not exclude the possibility that the Government of Ontario may provide a particular benefit which is more progressive than its counterpart in any other jurisdiction. However, we do not feel that the Government should lead in all areas at all times.

It will be evident that many of our recommendations are contingent upon studies of cost which have yet to be made. In many instances, we have neither the time nor the resources to attempt estimates of cost. Beyond this, we recognize that our recommendations might be implemented in many ways, each at different cost and with alternative benefits. We have not wished to prejudice those who must carry this process through its next stage. We have tried to show by examples how implementation might be carried out, not necessarily how it must take place.

Sick Leave

A survey of over a thousand government employees identified income protection during illness as a highly prized benefit, ranking second only to pensions. The Public Service has recognized this by providing a sick leave plan and a long-term income plan. In theory, these plans should provide complementary and comprehensive coverage; in fact, they afford adequate income protection for only a minority of public servants.

The sick leave plan is based upon the accumulation of attendance credits each month, to provide a paid sick leave in the event of illness. If these credits are not used, they may be converted into an attendance gratuity upon separation in the case of public servants with a minimum of ten years' uninterrupted service. Despite the possibility of a major illness, many healthy employees look upon attendance credits as a right, to be used on absences for essentially non-medical reasons.

In addition, the accumulation of attendance credits does not protect income beyond a certain point. Under the present long-term income

protection plan, there is a 180-day waiting period before coverage begins. Since it takes about ten years of uninterrupted service to accumulate enough attendance credits to provide paid sick leave for 180 days, in the event of serious illness, about 70 per cent of those now in the Public Service would not enjoy unbroken income protection. The situation is even worse if some of the accumulated credits have been used up through absences for incidental illnesses.

We recognize that any arrangement for improving the protection given to an employee's income in the event of illness depends upon separating the idea of paid sick leave from that of attendance credits. We recognize also that the process of implementing any improvements will raise substantial problems unless employees who have accumulated attendance credits are treated fairly in the changeover to another plan. Nevertheless, because of the inadequacies in the present sick leave plan and because of the growing evidence that it is frequently abused and is therefore overly expensive in total cost, we recommend that:

7.18 A comprehensive and equitable sick leave plan be developed to give income protection based on need.

The sick leave plan should complement the present long-term income protection plan. A single, unified plan might prove to be a better means of providing more effective overall income protection.

When a comprehensive sick leave plan based on need has been developed, there will not be the same need for attendance credits. A comparison with the private sector shows that most private sector employees enjoy the type of sickness protection we are proposing. Outside the government there are very few examples of arrangements such as the attendance credit plan to encourage attendance; employees are expected to come to work unless there is a valid reason for absence. Salaries are based upon an assumption of average good health, and no further reward is paid for better-than-average health. Those who would take advantage of this situation are dealt with on an individual and exceptional basis.

Therefore, we recommend that:

7.19 The system of giving attendance credits be discontinued when a sick leave plan based on need has been introduced.

Insurance Benefits Related to Life and Health

Our review of insurance benefits related to life and health identified three areas that appeared to call for a more thorough examination than we were able to make. These were:

- ♦ life insurance for Public Service employees, which is closely tied to the present pension plan;

- ◆ insuring protection for disabling injuries; and
- ◆ the cost-sharing plan for hospital and medical coverage.

A life insurance plan with nominal benefits is now in effect for all employees. This consists of a plan based on \$2,000, and up to twice an employee's annual salary through an optional plan. The optional plan is unsubsidized and is expensive for older employees. Its unpopularity is indicated by low participation which has pushed the premiums even higher.

A form of life insurance is also provided under the present pension plan whereby the widow of a former government employee is entitled to claim an allowance amounting to 50 per cent of the total pension. Obviously, in some instances this allowance may be totally inadequate. Moreover, the widow's pension can only be claimed by the wives of employees with ten years' contributory service. The pension plan tends to favour married persons in its survivor benefits, since the beneficiaries of single and childless persons do not receive such benefits under the present pension plan, even though all employees pay equal contributions.

In the event of a permanent disabling injury, employees who are not covered by Workmen's Compensation would have only the coverage presently provided by the long-term income protection plan. The waiting period before protection begins must be bridged by accumulated attendance credits which are unlikely to be adequate to cover the whole waiting period. Here, unlike many instances in the private sector, protection against disabling injury is neither part of a life insurance plan nor available at the employee's option.

All public servants are included at present in the O.H.S.C. and O.H.S.I.P. plans for coverage of hospital and medical expenses. The Government currently absorbs part of the premium costs for coverage. Since the integration of these two plans begins in April, 1972, it would be appropriate to review the cost-sharing arrangements between employee and employer when the integration has been completed.

We therefore recommend that:

7.20 A review of insurance plans related to life and health be undertaken.

Leaves of Absence

Many employees are uncertain about the various kinds of leave granted in the Public Service. This is due partly to the fact that practices followed in granting leaves of absence have varied not only from one department to another but within the same department. Education leave, a case in point, receives widely differing degrees of financial support and can be

granted for a variety of reasons. This is appropriate, provided that the financial support is given where the leave will be used to acquire increased competence directly related to the job.

At all levels of the Service, there is a call for a renewal of skills, to provide fresh and relevant responses to public needs in changing conditions. Faced with this growing trend, many people will see a leave of absence as an opportunity to broaden their horizons and re-equip themselves through new training. Such a leave will be in the interest of the Public Service where the need for the retraining is evident in the job to be undertaken on the candidate's return. Therefore, the principle of granting leaves of absence for educational purposes deserves support in the broadest sense.

Hence, present practices in regard to leaves of absence should be re-examined and standardized. Managers and employees should then be provided with full information concerning the conditions for such leaves. The relevant decisions should be made by program managers within the policy guidelines, to ensure that all interests are taken into account.

We recommend that:

- 7.21** An adequate information program for employees be developed by the Management Board to publicize the conditions under which leaves of absence may be granted.

Early Retirement

At present, early pension arrangements allow little flexibility either to employee or employer. Unless an employee initiates early retirement for reasons of health, he does so at substantial penalty, so that he is effectively locked in by the pension plan. However, there are cases in which he is no longer interested in his job, or he recognizes that he neither wants the responsibility of his position nor can handle it adequately. It could benefit the Public Service if he found it easier to leave because the penalties were not so great.

Early retirement is now entirely at the employee's option. Since the Public Service cannot initiate retirement, it must, in some cases, carry to retirement age employees whose outlook and training are no longer relevant. Pension arrangements should support flexibility of choice for the Government and its individual employees.

Therefore, we recommend that:

- 7.22** The pension plan permit early retirement, based on equitable formulae, for senior public servants at the initiative either of the Government or of the employee.

Implementation of an early retirement plan should begin at the senior levels, and should be at the option either of the employer or of the employee. The formulae on which the plan is based may not necessarily be the same at all levels. Several examples of early retirement plans are to be found in other jurisdictions and in the private sector. These usually consist of a fair pension when age in years plus years of service exceed a minimum number.

The cost of the plan will vary according to the formulae selected and the levels at which early retirement is first initiated and tested. The preparation of detailed assumptions and consequent costs is beyond the scope of this report. However, on the basis of studies already made, we believe such a plan could be implemented immediately, subject to approval of cost projections.

Pensions and Inflation

Inflation, which has a detrimental effect on all sectors of the economy, can cause special hardship for those who must live on fixed pensions. Government can exercise a degree of control by its economic policies, but some of the causes are beyond its power to remedy. In January, 1970, the Government acknowledged the harmful effects of inflation on public service pensions by awarding increased pension benefits to retired school teachers. To ensure that other employees do not suffer from an inflationary erosion of their pension benefits in the years to come, we recommend that:

7.23 A pension plan be designed which offers increased protection against inflation.

The plan developed should be made flexible enough to keep pace with inflation through the provision of rising payments. A plan moving part way toward this goal has recently been introduced in the Federal Public Service. There are indications that, in view of the importance attached to pension benefits by most of the Public Service, its members would be willing to make higher contributions toward pensions which provide some security against inflation.

ORGANIZATIONAL RESPONSIBILITIES

The Development and Administration of Benefits Policies

At present, the responsibility for the development and approval of benefits policy is found in many different places. For instance, the Civil Service Commission may make regulations determining employee benefits, subject to the approval of the Lieutenant-Governor in Council. Similarly, the Public Service Superannuation Board was established to advise the Treasurer on pensions policy. Various ad hoc groups, such as the Pension Review Committee, have also made recommendations from time to time. Many of the benefits now in force have been suggested in collective bargaining negotiations. Different people from the Department of Civil Service and from the financial side have been included in the development of particular plans, but continuity is in no way assured. Furthermore, the reporting channels for groups making proposals are not always the same.

In our view, the lack of a comprehensive approach to the development of policy on benefits has made for inconsistencies and overlaps which would be less likely if primary responsibility rested with one group. For instance, income protection is provided through two plans which evolved separately. For some public servants, the plans would not provide unbroken coverage in the event of major illness. The Civil Service Commission should be primarily responsible for recommending benefits policy. It would receive the advice of financial officers from the Ministry of Treasury, Economics and Intergovernmental Affairs, the Ministry of Government Services, and external consultants.

Therefore, we recommend that:

7.24 The Management Board be responsible for the approval of benefits policy.

Once benefits policies and plans have been approved, three different steps must be taken to make the overall plan work. First, the employees must learn about the plan, and be able to ask questions about their participation and coverage. This opportunity is necessary, particularly when an employee or his survivors are about to realize on a benefit and need information to allay their concerns. Second, when the actuarial design of the plan has been completed, contributions must be collected and payments must be made. The last function, that of utilizing the funds collected, is of great concern to the managers of the province's financial affairs because the amounts involved are so large.

In the past, information has been supplied to employees by their own departments, by the Department of Civil Service, and by the Department of Treasury and Economics. Provision of information is a service

which, under a revised ministerial organization such as we have proposed in our Interim Report Number Three, would continue to be available from at least two sources. The Civil Service Commission would provide some personnel services, which might include explanatory material about a Service-wide plan. The Ministry of Government Services, taking over the collection and payment functions previously performed by Treasury and Economics, would gather and keep track of contributions and pay out benefits. However in our view, the program manager, assisted by ministerial specialists, must play the principal role in maintaining a flow of information about fringe benefits. This responsibility for seeing that employees are kept informed, for answering questions and allaying fears is similar to the manager's counselling responsibilities.

Therefore, we recommend that:

- 7.25 The program manager, assisted by the Civil Service Commission and the Ministry of Government Services in a service capacity, have prime responsibility for keeping the employee informed about benefits.**

While the Ministry of Government Services would for the most part concern itself with such financial services as actuarial design, and the collection and payment of monies under the plans, it would also seem an appropriate source of post-retirement counselling, which is primarily financial in nature. A retired public servant may have lost contact with his former work group but need advice on managing his pension, or he may have questions related to other benefits, such as the health plans for which he is eligible.

Therefore, we recommend that:

- 7.26 The Ministry of Government Services handle the actuarial design, collection of contributions, and payments under the benefits plans; and that it deal also with financial aspects of post-retirement counselling.**

Responsibility for recommending policies and design standards for integrated accounting systems within the Government lies with the Ministry of Treasury, Economics and Intergovernmental Affairs. It is also responsible for the deployment of monies collected to fund benefits. Financial officers of the Ministry of Government Services would be involved in the development of recommendations relating to benefit accounting.

Therefore, we recommend that:

- 7.27 The Ministry of Treasury, Economics and Intergovernmental Affairs manage the contributions to benefits; and that the same Ministry, with the assistance of officers from the Ministry of Government Services, have responsibility**

for policies and standards governing benefit accounting systems.

Post-audit

The Civil Service Commission has at present substantial powers to make a post-audit of ministerial personnel procedures, although it has not used these powers to any great degree. However, with new emphasis on some latitude for the program manager to make his own decisions, within guidelines, the need for a post-audit becomes greater. Guidelines, policies and procedures will be developed by the Civil Service Commission for approval by the Management Board and to be applied by the operating ministries. The Civil Service Commission will no longer carry out an item-by-item check of ministerial procedures before action is taken. In future, the Commission will sample or audit decisions regarding personnel management for the Management Board on an occasional basis as necessary, to ensure that program managers are adhering to the policies and guidelines.

We recommend that:

- 7.28 An effective post-audit system be established by the Civil Service Commission to ensure that ministerial personnel procedures are consistent with policies and guidelines approved by the Management Board.**

Staff Relations

The Staff Relations unit, which under pending reorganization would become part of the Civil Service Commission, is concerned mainly with collective bargaining within the Public Service. The effectiveness of its work may be handicapped to some extent by a shortage of specialists and by misunderstanding in the Public Service about its role and function. Its job is made more complex by the fact that the information and guidelines pertinent to its role are contained in over 255 statutes, a host of regulations, directives and circulars, as well as numerous decisions of the courts and semi-judicial boards. Further special provisions apply to the ministerial agencies, boards and commissions. Moreover, there appear to be few long-term goals and policies governing staff relations.

The nature of the Public Service is such that any interruption or suspension of services can have a detrimental effect on large groups of people. The Ontario Government's announced intention to introduce improved collective bargaining legislation for Crown employees foreshadows a new phase in staff relations. It is hoped that future collective bargaining on behalf of groups within the Public Service can be conducted in an atmosphere of cooperation and common interest. Any shift to the adversary system — whereby employer and employee take up opposing positions which

make compromise difficult without mediation or arbitration — should be foreseen and avoided. Able assistance and clearly defined policies are needed to prevent a slide into the disharmony which seems to plague the collective bargaining process in many other jurisdictions.

We recommend that:

- 7.29 The Civil Service Commission appoint a limited number of specialists highly skilled in staff relations, to assist in planning and to provide support for the development of policy and long-range goals.**

This added strength could be drawn from inside through specific training programs and from outside through the recruitment of highly talented people.

Make or Buy for Personnel Services

The majority of personnel services, such as recruitment, classification, training and development, have been provided to the ministries from within the Government by the Department of Civil Service. Some training, development and recruitment programs are at present obtained by contract from management consultants and others in the private sector. On the whole, however, ministries do not normally explore the alternatives to hiring full-time staff, such as obtaining personnel services from other ministries, other governments or from the private sector.

One reason why alternatives are not often considered is that valid comparisons have been difficult to make because, for a variety of reasons, full costing of internal services has not been possible. Comparisons for make-or-buy decisions will eventually be facilitated by more sophisticated costing systems and through the evolution of methods for measuring the relative effectiveness of employees. However, this does not imply that alternatives should not now be considered as thoroughly as present costing techniques will allow. In many instances, the use of temporary or contract services from the private sector or employees from other ministries would be more effective and economical than hiring permanent staff.

We recommend that:

- 7.30 The alternatives of make or buy be considered in the delivery of personnel services.**

PEOPLE WITH PROBLEMS

Personal or job problems can handicap an employee in attaining his own goals or those of the job. At present, responsibilities for employee counselling are not clearly defined, except in instances where the employee has an alcoholism or drug-addiction problem. For such cases, a well organized assistance program exists, based on team work. The team may include the employee, the program manager, a trained personnel officer, someone from the Employee Health Service, and a representative of the bargaining agent.

The many other instances in which an employee might require counselling fall into four general categories: uncertainty about the achievement of goals in a complex organization; facing change in some aspect of a job; making decisions about career plans and personal development; and dealing with personal problems. The first three are closely linked to the job, while the fourth could have an important influence on performance.

To provide counselling for every aspect of such problems, we recommend that:

- 7.31 An expanded counselling service be developed, in which basic responsibility for counselling resides with the program manager, supported by the ministerial personnel officer; and that professionally qualified central coordinating staff should also be available to recommend referral to community counselling services, if required.**

Alternatives to Suspension

An employee's need for job security and satisfaction must be balanced against the program manager's need for responsible staff committed to the organization's goals. On the one side, the manager should provide a climate of trust and open communication in which the employee can expect to achieve his own goals. The employee, on the other hand, must be prepared to accept responsibility and to work to bring about and accept constructive change. His responsibility also involves willingness to develop individual and occupational skills that enable him to change with a changing work environment.

If things do not go well and an employee's performance is not satisfactory, the manager should provide opportunities for improvement coupled with encouragement and guidance. Only when remedial measures, such as training, counselling and medical treatment, have failed should a decision be made between the alternatives of transferring or demoting the employee and dismissal.

The manager must always have the opportunity to initiate dismissal for cause. Suspension without pay, used as a disciplinary measure, will not be effective where remedial measures have failed and dismissal is warranted. Nor should the power of suspension be used to precipitate an employee's resignation because the employer will not dismiss him.

Therefore, we recommend that:

- 7.32 The personnel management guidelines emphasize to the manager the need for adequate training and careful counselling before initiating transfer, demotion, or the ultimate step of dismissal.**

THE PHYSICAL ENVIRONMENT

Hours of Work

In the Public Service, as in the private sector, hours of work are in most cases traditional. The exceptions are usually instances where shift work is necessary or skilled part-time help is employed.

Changing trends in the private sector have shown that more flexibility in work periods need not interfere with productivity, and in some cases can promote it. There are already many instances in the Public Service where informal arrangements have superseded the specific working hours set out in the regulations. While the convenience of the public must be the first concern of a government service in setting hours, it is a fact that many public servants have little direct contact with the public.

Alternatives to the present hours of work in the Public Service should therefore be studied, for example, variations in the length of the day with proportionate pay changes, or scheduling of hours into fewer but longer working days. A primary consideration should be whether or not such a change would facilitate the achievement of organizational goals; another factor would be the preferences of the employees concerned.

We recommend that:

7.33 Hours of work in the Public Service be arranged which best serve the convenience of the public and the attainment of job goals, but which will accommodate employee preferences where possible.

Physical Working Conditions

Today, working conditions in many government buildings are pleasant and comparable to those prevailing in other fields of employment. The upgrading of inferior Government facilities continues. As in the case of most official property, the expenses of improvements here have been borne by the Department of Public Works. We believe that better decisions on the physical work setting of public servants will be achieved when costs are charged back to programs. This view is in line with the principles applied in allocating personnel costs and anticipates the recommendations in the C.O.G.P.'s study on real property management.

In practice, the proposed approach would give the program manager a greater interest in ensuring that costs for facilities would be related to the total costs of his program; he would be encouraged to view such improvements as long-term investments in efficiency. The overall interests of the Service in providing a desirable basic standard of working environment should be expressed in guidelines which, in very general terms, would set out

constraints on cost cutting as well as overspending. Within these guidelines, there should be ample room for variations in accommodation to suit the individual program.

We recommend that:

7.34 Upgrading of inferior facilities be continued.

7.35 The cost of improvements to physical working conditions be charged to programs.

Implementation of these recommendations should be coordinated with those of the study on real property management.

Moving Expenses

Moving to a different locality is generally a trying experience for an employee and his family. The difficulties are heightened if the employee, even though he moves at the request of his employer, incurs considerable personal expense. Concern about his family as well as financial considerations can effectively retard the process of settling into a new job.

At present, an employee in the Public Service involved in such a transfer is not as fairly treated as many of his counterparts in the private sector. For example, when a public servant puts his house up for sale, there is no guarantee that he will receive compensation at least equal to its fair appraised value. In some cases, he must take a loss in order to conclude an early sale. In addition, he may have difficulty in purchasing comparable accommodation at the location of his new post.

It is in the best interests of the Service to assist a move in such a way that the employee affected can settle quickly into his new job and acquire the confidence and competence necessary for his position. More specifically, he should not be expected to bear unreasonable out-of-pocket expenses or suffer any investment loss on his dwelling.

Accordingly, to promote rapid transfers and effective adjustment to new posts, we recommend that:

7.36 For cases where a public servant is moved at the request of the employer, a policy be developed to protect the employee against unreasonable expenses and against having to sell his home at less than fair market value.

CONCLUSION

Our previous five reports have spelled out, from various angles, the interest of the people of Ontario in a revitalized government structure with energetic, purposeful and far-sighted systems of policy-making and management. These are required by the extraordinarily complex demands of life in the rapidly shifting conditions of the late twentieth century.

To a very large extent, the success of the new system will depend on the people who operate it. Opportunity is therefore the keynote of the recommendations in our present study of the use of people in the Public Service. We place great emphasis on personal initiative, enterprise and achievement. Manpower planning and career planning coupled with development and training, all of which have received our special attention, should offer great scope especially for younger people interested in building a life around the government service. The very strong probability that public servants will be exposed more and more to invigorating contact with specialists from the private sector should bring advantages to both and should offer attractive stimulus to personal growth and the widening of horizons. This process should be further encouraged by the proposed decentralizing of responsibility and much improved communication between managers and employees.

We accordingly submit the whole body of our recommendations to the careful consideration of all Ontario public servants. Their close collaboration is absolutely essential to full implementation of the restructuring of the Government in all its aspects.

SUMMARY OF RECOMMENDATIONS

Interim Report Number One

The C.O.G.P. recommended that:

1. THE AUDIT FUNCTION

- 1.1 The Audit Act be amended to remove from it the requirement for the Provincial Auditor to examine requisitions for expenditure of funds within approved appropriations before a cheque may be issued.
- 1.2 The present pre-audit function be transferred to the Comptroller of Accounts as an interim step.
- 1.3 The Treasurer of Ontario be empowered, on the advice of the Comptroller of Accounts, to transfer the pre-auditing function to departments as they demonstrate their capabilities to maintain adequate legal and accounting controls of expenditure.
- 1.4 The Provincial Auditor assume the role of financial auditor of accounting systems and transactions.
- 1.5 The Comptroller of Accounts establish criteria for the adequacy of accounting system performance, measure the effectiveness of each department's system against the established criteria and develop a plan to upgrade those systems found wanting.

2. DEVELOPMENT OF TOP ADMINISTRATORS

- 2.1 The government formulate a policy and implement a planned program designed to give selected managers the opportunity to obtain 'corporate', inter-departmental experience. Since the example of style in management comes from the top, this program should initially be limited to a group of approximately 100 people: deputy ministers, assistant deputy ministers, heads of ministerial agencies and equivalent ranks.

3. MANAGEMENT OF SUPPLY AND SERVICES

- 3.1 The Treasury Board be responsible for the approval and publication of the Government's purchasing and supply policies and procedures.

- 3.2 The Central Supply Division, Department of Public Works, be responsible for developing policies and procedures for the approval of Treasury Board.
- 3.3 The role of the Central Purchasing Committee be modified to that of an advisory committee.
- 3.4 Central Duplicating should be the only large government duplicating facility serving all departments that are within easy access of the Queen's Park complex. Treasury Board will be responsible for deciding whether users can justify their own facilities based on remoteness.
- 3.5 Departments should be responsible for the operation of copy centres for small volume and urgent work.

4. PARLIAMENTARY ASSISTANTS

- 4.1 Parliamentary Assistants be appointed to provide specialized assistance for ministers in charge of major departments.

5. CABINET COMMITTEES AND SUPPORT STAFF

- 5.1 The government consider the increased use of Cabinet committees and the provision of the necessary support staff.

6. TASK FORCES

- 6.1 The government consider making increased use of task forces, as defined by the C.O.G.P., to tackle problems crossing functional lines or involving more than one department or agency.

Interim Report Number Two

The C.O.G.P. recommended that:

5. CABINET COMMITTEES AND SUPPORT STAFF

- 5.2 The Cabinet establish two senior Cabinet committees, the Policy and Priorities Committee and the Management Committee.
- 5.3 The chairmen of these committees be ministers without operating responsibility.
- 5.4 The Cabinet establish a Legislation Committee.

- 5.5 The Cabinet establish Coordinating Committees.
- 5.6 The Cabinet committees be supported by additional secretarial resources.
- 5.7 The Cabinet accept more formalized procedures.

7. INTEGRATION OF PAYROLL AND PERSONNEL INFORMATION

- 7.1 A system of centrally collecting basic data on employees which is integrated with the central payroll system be approved and that a program of integration be implemented.

Interim Report Number Three

The C.O.G.P. recommended that:

8. STRUCTURE OF GOVERNMENT

- 8.1 Policy Ministers without operating responsibilities be appointed to devote full-time attention to setting priorities, to providing leadership in policy development, and to coordinating related programs of government within their respective policy fields.
- 8.2 The Policy and Priorities Board of the Cabinet be composed of the Prime Minister as Chairman, the Chairman of the Management Board of Cabinet, the Minister of Finance and Intergovernmental Affairs, and the Policy Ministers.
- 8.3 A Social Development Policy Field be established containing the following Ministries: Colleges and Universities, Education, Health, and Housing and Social Services.
- 8.4 An Environment and Resources Development Policy Field be established containing the following Ministries: Agriculture and Food, Environment, Labour, Natural Resources, Trade and Industry, and Transportation and Communications.
- 8.5 A Justice Policy Field be established containing the following Ministries: Attorney General, Correctional Services, Public Protection.
- 8.6 Policy field committees of Cabinet be established. In each case, the membership of these committees would be all of the Ministers within a particular policy field, chaired by their Policy Minister.

- 8.7** A Ministry of Finance and Intergovernmental Affairs be established.
- 8.8** Parliamentary Assistants be appointed to assist the Minister of Finance and Intergovernmental Affairs.
- 8.9** A Ministry of Revenue and Government Services be established, with primary responsibility for:
- a) administering the collection of revenues, and
 - b) the provision of common services.
- 8.10** The Minister of Revenue and Government Services be a member of the Management Board.
- 8.11** The following principles be applied in the delivery of common services:
- a) policy and standards on the delivery and use of common services be approved and promulgated by the Management Board;
 - b) charges for services provided by the Ministry of Revenue and Government Services be levied to customer ministries on a full-cost basis;
 - c) ministries be allowed to obtain services within or outside the Government;
 - d) some of the common services need not be centralized under the Ministry of Revenue and Government Services but could be delegated to units within ministries that have specialized expertise.
- 8.12** The Management Board consist of a full-time Chairman, at least one Minister from each policy field, the Minister of Finance and Intergovernmental Affairs, and the Minister of Revenue and Government Services.
- 8.13** The Chairman of the Civil Service Commission report to the Chairman of the Management Board.
- 8.14** The Department of the Civil Service cease to exist and that its staff become the staff of the Civil Service Commission.
- 8.15** The Chairman of the Civil Service Commission cease to be known as the deputy minister of the Department of the Civil Service, but that he continue to have deputy minister status.

- 8.16 One or more Commissioners with personnel expertise be appointed to the Civil Service Commission from outside the Public Service.
- 8.17 The Civil Service Commission continue to provide advice on personnel policy to the Management Board and personnel services to ministries. Ministries be allowed to provide such personnel services as recruiting and staff training for themselves or be given the option of purchasing such services either from the Civil Service Commission or from outside Government.
- 8.18 The decision to leave the central supply of personnel services within the Government with the Civil Service Commission be reviewed by the Management Board within 5 years, with the object of transferring some of those services to the Ministry of Revenue and Government Services.
- 8.19 The Management Board restrict itself to control functions and that all service functions, except those affecting personnel, be transferred to the Ministry of Revenue and Government Services.
- 8.20 A small secretariat be established for each policy field to provide the Policy Minister with analytical and administrative support. These appointments should be for a specific, renewable term (2 to 5 years). The search for suitable candidates should not be restricted to the Public Service.
- 8.21 A Secretary with the status of a deputy minister be appointed to head each policy field secretariat. These appointments, that of the Deputy Minister of Finance and Intergovernmental Affairs, the Secretary to the Management Board, the Secretary to the Cabinet, and the Deputy Minister of the Department of the Prime Minister should be for a specific, renewable term (2 to 5 years). The search for suitable candidates should not be restricted to the Public Service.
- 8.22 An advisory and support group for the Policy and Priorities Board be formed, made up of the three policy field Secretaries, the Deputy Minister of Finance and Intergovernmental Affairs, the Deputy Minister of the Department of the Prime Minister, the Secretary to the Management Board, and the Secretary to the Cabinet, who would act as Chairman.

- 8.23** The Secretary to the Cabinet provide a committee secretary to the Policy and Priorities Board and each of the other committees of Cabinet, except the Management Board, to assist in the preparation of agenda and minutes, in order to ensure consistency of format and coordination of information flow.

Interim Report Number Five

The C.O.G.P. recommended that:

9. AUTOMATIC DATA PROCESSING

- 9.1** The Management Board of Cabinet be responsible for establishing the broad guidelines within which A.D.P. is used in the government; and that all existing service functions now performed by the Management Board be transferred elsewhere.
- 9.2** A small number of senior personnel in the Management Board coordinate, control and evaluate A.D.P. services provided to ministries.
- 9.3** The systems and programming function be organizationally separated from the computer services function.
- 9.4** Competition for government business be encouraged between government and commercial computer centres.
- 9.5** A computer services agency be established within a Ministry of Revenue and Government Services to manage all computer facilities in the Ontario Government.
- 9.6** Commercial systems and programming firms be allowed to compete with the government systems and programming service for government business.
- 9.7 a)** Most systems and programming personnel in the Ontario Government be managed centrally by a systems and programming agency located in a Ministry of Revenue and Government Services.
- b)** Where a ministry can demonstrate, to the satisfaction of the Management Board, that it has a continuous need for a small number of highly specialized analysts and programmers, the ministry be permitted to retain these specialists in its own organization. This special ministerial need should be reviewed annually by the Management Board.

- 9.8 One or more systems coordinators be appointed in each ministry as an integral part of its management and with responsibility for advising on all aspects of the use of A.D.P. and for procuring all A.D.P. services.
- 9.9 Implementation of the recommendations in this report be completed before December 31, 1974.

Interim Report Number Six

The C.O.G.P. recommends that:

7. UTILIZATION OF HUMAN RESOURCES

(The present broken numerical sequence of the recommendations is provisional.)

- 7.1 See under Interim Report Number Two.
- 7.2 A goal setting and performance review system based on output be developed for individual jobs.
- 7.3 Managers receive training to upgrade their general skills and to familiarize them with personnel management practices.
- 7.4 An effective and comprehensive system of manpower planning be devised which coordinates the actions of the Premier, the Ministers and/or their ministry designees and the Management Board.
- 7.5 Selection standards emphasize the output aspect of a particular job rather than formal qualifications, while not under-rating their basic importance.
- 7.6 Where possible, at least three eligible candidates be identified for each vacant position through appropriate publicity and a progressive search of related manpower inventories in the Public Service; and that the search be extended outside the Public Service, if this is desirable.
- 7.7 New entrants into the Public Service be permitted to purchase pension credits.
- 7.8 Decisions on training and development be made the responsibility of program managers, the costs of training being allocated to the program.
- 7.9 More opportunities for on-the-job training be provided.

- 7.10 Ways be provided in which an employee can assist in planning his own career.
- 7.11 The present system of centralized control of classification be converted to one under which standards would be approved by the Management Board to assure Service-wide uniformity, and by which the responsibility for applying classification standards would be delegated to each ministry.
- 7.12 Classification specialists available in the Public Service be reassigned as needed in the ministries to apply classification standards.
- 7.13 A simplified classification system be developed, based on broadbanding.
- 7.14 Pay research be undertaken for key benchmark jobs which is directed to a comparison of outputs, rather than a comparison of common elements, such as duties, qualifications or experience.
- 7.15 An effective Service-wide master classification system be developed which relates all positions on a job comparison basis and employs a single salary structure.
- 7.16 An effective merit pay system be introduced based on performance review.
- 7.17 The impact of province-wide pay rates be assessed.
- 7.18 A comprehensive and equitable sick leave plan be developed to give income protection based on need.
- 7.19 The system of giving attendance credits be discontinued when a sick leave plan based on need has been introduced.
- 7.20 A review of insurance plans related to life and health be undertaken.
- 7.21 An adequate information program for employees be developed by the Management Board to publicize the conditions under which leaves of absence may be granted.
- 7.22 The pension plan permit early retirement, based on equitable formulae, for senior public servants at the initiative either of the Government or of the employee.

- 7.23 A pension plan be designed which offers increased protection against inflation.
- 7.24 The Management Board be responsible for the approval of benefits policy.
- 7.25 The program manager, assisted by the Civil Service Commission and the Ministry of Government Services in a service capacity, have prime responsibility for keeping the employee informed about benefits.
- 7.26 The Ministry of Government Services handle the actuarial design, collection of contributions, and payments under the benefits plans; and that it deal also with financial aspects of post-retirement counselling.
- 7.27 The Ministry of Treasury, Economics and Intergovernmental Affairs manage the contributions to benefits; and that the same Ministry, with the assistance of officers from the Ministry of Government Services, have responsibility for policies and standards governing benefit accounting systems.
- 7.28 An effective post-audit system be established by the Civil Service Commission to ensure that ministerial personnel procedures are consistent with policies and guidelines approved by the Management Board.
- 7.29 The Civil Service Commission appoint a limited number of specialists highly skilled in staff relations, to assist in planning and to provide support for the development of policy and long-range goals.
- 7.30 The alternatives of make or buy be considered in the delivery of personnel services.
- 7.31 An expanded counselling service be developed, in which basic responsibility for counselling resides with the program manager, supported by the ministerial personnel officer; and that professionally qualified central coordinating staff should also be available to recommend referral to community counselling services, if required.
- 7.32 The personnel management guidelines emphasize to the manager the need for adequate training and careful counselling before initiating transfer, demotion, or the ultimate step of dismissal.

- 7.33 Hours of work in the Public Service be arranged which best serve the convenience of the public and the attainment of job goals, but which will accommodate employee preferences where possible.
- 7.34 Upgrading of inferior facilities be continued.
- 7.35 The cost of improvements to physical working conditions be charged to programs.
- 7.36 For cases where a public servant is moved at the request of the employer, a policy be developed to protect the employee against unreasonable expenses and against having to sell his home at less than fair market value.

APPENDICES



ONTARIO
EXECUTIVE COUNCIL OFFICE

APPENDIX 1

OC-4689/69

Copy of an Order-in-Council approved by His Honour the Lieutenant Governor, dated the 23rd day of December, A.D. 1969.

Upon the recommendation of the Honourable the Treasurer of Ontario and Minister of Economics, the Committee of Council advise that a special Committee, consisting of the following persons:

J.B. Cronyn	Chairman
G.H.U. Bayly	Member
C.E. Brannan	Member
A.R. Dick, Q.C.	Member
C.C. Hay	Member
G.R. Heffernan	Member
H.I. Macdonald	Member
A. Powis	Member
J.K. Reynolds	Member
R.D. Wolfe	Member

be appointed to inquire into all matters pertaining to the management of the Government of Ontario and to make such recommendations as in its opinion will improve the efficiency and the effectiveness of the Government of Ontario.

The Committee further advise that this inquiry to be known as the Productivity Improvement Project, not extend to the institution of the Legislative Assembly of Ontario.

And the Committee further advise that the Committee be authorized to adopt such procedures and methods as it from time to time deems expedient for the proper conduct of the inquiry and to engage the services of such counsel, staff, and technical advisers as it may require at rates of remuneration and reimbursement to be approved by Treasury Board.

Certified

A handwritten signature in dark ink, appearing to be 'H. J. ...', written over a horizontal line.

Clerk Executive Council.

UTILIZATION OF HUMAN RESOURCES STUDY

Project Team

R.W. Johnston <i>Project Director</i>	Senior Partner Hickling-Johnston Limited
M. Algar	Executive Director Administration and Finance Division Department of Public Works
K.A.Cassac	Assistant Director Staff Development and Research Department of Civil Service
D. Hushion	Executive Director Manpower Services Division Department of Labour
M. Humphries	Partner Hickling-Johnston Limited
R.D. Johnston	Deputy Minister Department of Labour
B.V. Marmash	Partner Hickling-Johnston Limited
P.J. Moore	Senior Consultant Hickling-Johnston Limited
Mrs. P. Westwood	Senior Consultant Hickling-Johnston Limited
S.A. Otto	Research Analyst Central Staff, C.O.G.P.

Advisory Committee

Prof. R.C. Hodgson <i>Chairman</i>	Associate Professor School of Business Administration University of Western Ontario
H.W. Adcock	Assistant Deputy Minister (Engineering) Department of Transportation and Communications
Prof. N.K. Agnew	Professor and Director of Psychological Services York University
W.A.B. Anderson	Chairman Civil Service Commission of Ontario
George Lach	Assistant Vice-President (Personnel) Canadian National Railways
Roald Oss	Director of Personnel and Organization Department of Health
L. Ringham	Regional Director (Northwest) Department of Lands and Forests
J.S. Stephen	Assistant Deputy Minister (Administration) Department of Education
J.R. Thamer	Assistant Vice-President (Personnel) Bell Telephone Company

GLOSSARY

Bargaining units Groups of employees which are recognized as entities for collective bargaining purposes.

Broadbanding A proposal by the C.O.G.P. designed to simplify the classification of jobs by grouping together, in the same class and within a common pay grade, jobs which are similar in their responsibility and content.

Career planning Development by the manager and the individual employee of a projected path to be followed by the employee through various positions and training programs which, besides furthering his usefulness to the Service, would assist him in achieving some of his personal goals.

Civil servant A person appointed to a classified position in the Public Service by the Lieutenant-Governor in Council on the certificate of the Civil Service Commission or by the Commission.

Civil Service Commission Defined in the Public Service Act as a body of at least three persons appointed by the Lieutenant-Governor in Council to administer the Act, and to make regulations for the proper administration of Public Service personnel. The Commission supports the Management Board in the management of human resources.

Class A grouping of positions, involving similar degrees of difficulty and skill requirements, which warrant similar pay treatment.

Class series A group of related classes ranked into different levels of worth.

Classification The process of evaluating jobs, not people, by measuring them against specially designed standards in order to be able to establish the degree of difficulty and the skill needed in the job.

Development The process of enhancing through study and practice a person's competence to assume other and/or more senior responsibilities.

Eligible candidate A person with suitable skills, knowledge and ability who, in terms of the staff classification concerned, is thought qualified to be considered for a vacant position.

Job goal A desired result from which the work in a specific position, as agreed by the manager and the employee, is consistent with the overall objectives of the organization and which provides a standard of judgment for individual performance.

Job output The actual result of effort expended to achieve a job goal.

Manpower planning Analysis and forecasting of the people required to achieve future goals. Its object is to enable management to strive to have properly trained personnel ready when and where needed.

Merit principle A fundamental rule to the effect that persons appointed to positions in the Public Service be selected on the basis of competence and suitability for the position concerned.

Pay grade A pay range appropriate to a recognizable level of skill within a class or class series.

Performance appraisal A regular review by the manager of an employee's efforts and contribution towards the achievement of job goals, as measured against agreed standards.

Personnel management systems The organization of people to achieve common goals effectively.

Program A set of activities, having a common objective, which can be costed and evaluated as a whole.

Program Manager Any person who is responsible and accountable for the results of one or more programs.

Public servant A person appointed under the Public Service Act to any position in the Service of the Crown by the Lieutenant-Governor in Council, by the Civil Service Commission or by a minister.

Recruitment The process of locating competent people to meet the staffing requirements of the Public Service.

Rule of Three A convention that no selection among applicants for a position is made until at least three eligible candidates have been identified.

Selection The process of choosing the most suitable person from among eligible candidates for a vacant position.

Staffing Includes all activities associated with employment, such as recruitment, selection and placement.

